

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 37 - SB 44

February 5, 2017

SUMMARY OF BILL: Requires a creditor to file a claim against an estate within four months, rather than within 12 months, after the first publication of notice to creditors.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 30-2-307 provides:
All claims against the estate arising from a debt of the decedent shall be barred unless filed within the period prescribed in the notice published or posted in accordance with § 30-2-306(b).
- The notice required by Tenn. Code Ann. § 30-2-306(b) requires claims against an estate to be filed before the earlier of two dates—four months from the date of the first publication of notice or 12 months from the decedent's date of death. A creditor may file a claim within 60 days of receiving an actual copy of notice if the copy was received less than 60 days prior to the expiration of the four-month deadline.
- The proposed legislation deletes the 12-month limitation period. Under the proposed legislation, a creditor must file a claim against an estate within four months of first publication.
- The proposed legislation could impact collections of certain state departments against a decedent's estate. However, it is assumed that any impact to state collections or to court caseloads will be not significant.
- The Bureau of TennCare confirms that the proposed legislation will not significantly impact their collection efforts because notice to TennCare is required before notice to creditors under Tenn. Code Ann. § 30-2-306(b). The proposed legislation will not impact TennCare's ability to file claims within the required limitations period.
- The Department of Revenue confirms that the proposed legislation will not significantly impact collections because there are no longer any inheritance tax implications for decedents with dates of death after 2016.
- The Administrative Office of the Courts confirms that the proposed legislation will not significantly impact the courts.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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